
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.13.2010

Wall Street Journal: "Wall Street Probe Widens ... Federal prosecutors, working with securities regulators, are conducting a preliminary criminal probe into whether several major Wall Street banks misled investors about their roles in mortgage-bond deals, according to a person familiar with the matter."

Wall Street Journal: "The Treasury-Financial Complex ... Whatever your views on financial reform-whether you want the government to crack down on bankers or to disentangle itself from financial markets-you should fear Sen. Chris Dodd's financial reform bill."

Wall Street Journal: "Dodd Enjoys Early Wins on Financial-Overhaul Bill ... Senate Banking Committee Chairman Sen. Christopher Dodd (D., Conn.,) has spent the past two weeks successfully negotiating potential stumbling blocks on sweeping financial-overhaul legislation, pushing the complex bill closer to passage."

Washington Post: "Senate votes to keep small banks under Federal Reserve's oversight ... The Federal Reserve would continue to oversee smaller banks around the country under a measure adopted Wednesday in the Senate, marking a major victory for the Fed as lawmakers prepare to overhaul the nation's financial regulations."

Washington Post: "Justice, SEC investigate Morgan Stanley's mortgage-related deals ... The Justice Department and the Securities and Exchange Commission are investigating Morgan Stanley as part of a probe into whether Wall Street firms misled investors in selling mortgage-related securities, according to federal law enforcement officials and others familiar with the matter."

Washington Post: "Last week's stock plunge largely caused by big Wall Street firms, SEC chief says ... Major Wall Street firms retreated from the market Thursday at the very moment when they were most needed to support normal trading, in what a senior federal regulator called the "most significant" factor behind the stock market's dramatic volatility."

Washington Post: "Senate votes to increase oversight of Federal Reserve ... Senate lawmakers voted unanimously Tuesday to increase oversight of the Federal Reserve, but the two parties diverged on whether a bill to rewrite financial regulations should include an overhaul of government-backed mortgage giants Fannie Mae and Freddie Mac."

NY Times: "Prosecutors Ask if 8 Banks Duped Rating Agencies ... The New York attorney general has started an investigation of eight banks to determine whether they provided misleading information to rating agencies in order to inflate the grades of certain mortgage securities, according to two people with knowledge of the investigation."

NY Times: "Senate Beats Back Efforts to Ease Regulation Bill ... In a defeat for major Wall Street banks, the Senate on Wednesday rejected a Republican effort to ease some of the tight new rules included in the bill for trading derivatives, the complex financial instruments that were at the center of the 2008 financial collapse."

LA Times: "Senate votes to ban certain bonuses for mortgage brokers, loan officers ... The U.S. Senate voted Wednesday to ban certain bonus payments to mortgage brokers and loan officers, cutting off what experts have called one of the key causes of the nation's mortgage meltdown."

Washington Times: "New York AG probing 8 banks ... The New York attorney general has launched an investigation into eight banks to determine whether they misled ratings agencies about mortgage securities, according to a person familiar

with the investigation."

Washington Times: "Fed moves on Europe bank rescue plan ... While Fed-bashing remains popular on Capitol Hill, legislators demonstrated once again this week how they depend on the central bank to fight financial fires like last week's market panic."

Washington Times: "ROBINS: Financial regulations miss the target ... Like generals fighting the last war and failing to protect against current threats, our Congress in its consideration of financial regulation bills is not recognizing what has caused our recent financial upheaval and what needs to be addressed to avoid its recurrence."

The Hill: "The Fed keeps its power ... Populist lawmakers are failing to convert public outrage at Wall Street into tighter controls on the Federal Reserve."